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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/659,585	09/11/2000	Robert Arthur Kottmeier Jr.	5793-3013	4493
22852	7590	11/29/2005	EXAMINER	
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP 901 NEW YORK AVENUE, NW WASHINGTON, DC 20001-4413			KRAMER, JAMES A	
			ART UNIT	PAPER NUMBER
			3627	

DATE MAILED: 11/29/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/659,585

Applicant(s)

KOTTMEIER JR. ET AL.

Examiner

James A. Kramer

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 08 September 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) See Continuation Sheet is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) See Continuation Sheet is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

Continuation of Disposition of Claims: Claims pending in the application are 1-7,9-14,16-29,31-36,38-47,50-52,54-61,64-66,68-75,78-80,82-89,92-94,96-103,106-115,118-132,134-136 and 138-159.

Continuation of Disposition of Claims: Claims rejected are 1-7,9-14,16-29,31-36,38-47,50-52,54-61,64-66,68-75,78-80,82-89,92-94,96-103,106-115,118-132,134-136 and 138-159.

## DETAILED ACTION

### *Claim Rejections - 35 USC § 103*

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-8, 11-15, 23-30, 33-37, 45-46, 50-59, 61, 64-73, 75, 78-87, 89, 92-101, 103, 106-113, 115, 118-125, 127-133, 136-143 and 145-159 as interpreted by the Examiner are rejected under 35 U.S.C. 103(a) as being unpatentable over Block in view of Basch and in further view of Cohen.

With respect to **Claim 1**, Block teaches a cobranded credit card that offers two separate lines of credit and one monthly statement (page 1; line 5). The cards include a first line of credit for use with a particular merchant and a second credit line can be used for transaction wherever MasterCard is accepted (general purpose) (page 2; lines 8-9).

Examiner notes that the two lines of credit of Block are on one credit card. In support of this position, Examiner relies on page 2, lines 23-25. Specifically, a user makes one purchase for Honda Power Equipment using the private line of credit and sees the logo each time they use the general purpose line of credit. Clearly this represents one card with two lines of credit.

Based on the preceding analysis, Examiner asserts that Block teaches: establishing a first credit line, the first credit line being set for purchase transactions made with a particular merchant; establishing a second credit line, the second credit line being set for purchase

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transactions made with any merchant other than the particular merchant and issuing a credit card to the cardholder with the established first credit line and the second credit line.

Block does not specifically teach the establishment of revolving credit lines. Specifically, analyzing credit information of a cardholder to determine a level of risk associated with the cardholder, and establishing the first and second revolving credit lines based on the determined level of risk associated with the cardholder.

Basch teaches, "to minimize losses, account issuers have constantly been searching for ways to predict in advance account and/or account holders who are at risk for credit default and/or fraud. By way of example, account issuers routinely employ credit bureaus, essentially data collection services, to ascertain whether an applicant for new or additional credit is sufficiently credit-worthy for the type of account and amount that he is applying for. If an applicant wishes to apply for a Visa credit card account, for example, a potential issuing bank may request a credit report on the applicant from one or more credit bureaus to ascertain whether applicant has a satisfactory credit history, adequate income, reasonable debt-to-equity ratio and the like before deciding whether the applicant should be approved for the credit account and what the appropriate credit limit should be." (column 1, lines 48-62).

Basch also teaches revolving accounts as a particular type of credit (column 1, lines 25-30).

It would have been obvious to one of ordinary skill at the time of the invention to establish the two lines of credit of Block as revolving accounts and to ascertain whether applicant has a satisfactory credit history, adequate income, reasonable debt-to-equity ratio and

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the like (determine a level of risk associated with the cardholder) before deciding what the appropriate credit limit should be (establishing credit limits based on the determined level of risk associated with the cardholder) as taught by Basch. One of ordinary skill in the art at the time of the invention would have been motivated to combine these references in order for the account issuers to minimize their losses.

Block also fails to teach the second credit line as an embedded credit line wherein the first credit limit includes the second credit limit. The concept of embedded credit lines is explained by the Applicant in the specification on page 12, line 18, through page 13, line 5. Based on this disclosure and “embedded” credit line is merely an accounting practice whereby the dual credit line card has two fixed limits. The first is a limit on the amount allocated to the general purpose credit line (e.g. \$4000) and the second limit is on the total amount of charges regardless of the credit line (e.g. \$6000). As such, an charge made on the general line reduces both the total credit line and the general purpose line and any charge to the private line simply reduces the total credit line. In other words, the concept of embedding the credit lines is interpreted as being an accounting practice as described by Applicant in the cited passage and by Examiner above.

Cohen teaches multiple brands of cards can be bundled together on a single customized card for ease of use of the user (see for example column 11, lines 12-15). Cohen further teaches setting up the card to be capable of some fixed total amount of charges with the user free to use any of the accounts on the card in any combination desired to charge up to that amount (see for

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example column 11, lines 30-35). Examiner notes that this represents Applicant's embedding of credit limits.

It would have been obvious to one of ordinary skill in the art at the time of the invention modify the teachings of Block to include setting up the card to be capable of some fixed total amount of charges with the user free to use any of the accounts on the card in any combination desired to charge up to that amount as taught by Cohen. One of ordinary skill in the art would have been motivated to modify the references in order to limit the total amount of charges on a credit card.

(also reference **claims 11, 16, 33,45,46**)

With respect to **Claim 2**, Block does not teach utilizing a risk score. Basch teaches, "to facilitated the management of accounts, account issuers may employ scores developed by credit bureaus" (column 1, lines 63-67).

It would have been obvious to one of ordinary skill in the art at the time of the invention for the account issuers to Block to employ scores developed by credit bureaus (risk score from credit information) as taught by Basch. One of ordinary skill in the art would have been motivated to modify the references in order to facilitate the management of accounts.

(also reference **claims 24**)

With respect to **Claim 3**, the analysis with respect to claim 1 (Block in view of Basch) teaches setting credit limits based on the determined level of risk associated with a cardholder

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(ascertaining whether applicant has a satisfactory credit history, adequate income, reasonable debt-to-equity ratio and the like before deciding what the appropriate credit limit should be).

(also reference **claims 12, 25, 34**)

With respect to **Claim 4**, the combination of Block in view of Basch as described with respect to claim 1 above does not specifically teach setting a first credit limit for the first credit line based on the second credit limit set for the second credit line.

However, Block does teach that if the customer uses up the general line of credit, store credit is still available. Further, the combination of Block in view of Basch (described with respect to claim 1 above) teaches establishing credit limits based on an analysis of a cardholders debt-to-income ratio. In other words, to determine a cardholders level of risk issuers look at what debt a cardholder has. Examiner asserts that this analysis includes potential debts (i.e. all outstanding credit limits).

As such, Examiner asserts that one of ordinary skill in the art, based on the teachings of Block and Basch would have reasonably considered the outstanding credit limit for the second account when establishing the credit limit for the first account. One of ordinary skill would have come to the conclusion in order to get an accurate picture of the cardholders debt-to-income ratio in the determination of the cardholders risk level.

(also reference **claims 13, 26,35**)

With respect to **Claim 5**, the analysis with respect to claim 1 (Block in view of Basch) teaches setting credit limits based on the determined level of risk associated with a cardholder

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(ascertaining whether applicant has a satisfactory credit history, adequate income, reasonable debt-to-equity ratio and the like before deciding what the appropriate credit limit should be).

(also reference **claims 27**)

With respect to **Claim 6**, the combination of Block in view of Basch as taught with respect to claims 1 and 2 above teaches establishing credit limit using a line sloping model.

Examiner starts with Applicant's disclosure of a line sloping model (Specification, pages 35-36). Applicant discloses that a line sloping model relates a cardholders credit score to an appropriate level of credit, wherein the better the score the larger the credit limit.

Based on this definition, Examiner asserts that Basch's teaching that "scores may, for example, be utilized to assist in some aspects of account management, e.g. in the account issuer's decision to increase or decrease the credit limit" (column 1, lines 63-67), represents Applicant's line sloping model.

(also reference **claims 14, 28,36**)

With respect to **Claim 7**, Block teaches notifying a customer of a customer account, a first credit line and a second credit line (page 2, lines 12-14). Examiner notes that the monthly statement represents notification of a customer account. Further, since the monthly statement includes different interest rates, Block teaches notifying about a first and second credit line.

(also reference **claims 29**)

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With respect to **Claim 8**, Block teaches issuing the credit care with the established first line of credit as a main credit line and the established second credit line as a embedded credit line (page 2, line 3). Examiner notes that launching its cobranded program represents issuing credit cards with a first main line of credit and a second embedded private label line of credit.

(also reference **claims 15, 30,37**)

With respect to **Claim 50**, Block teaches providing a combined credit card account statement to the cardholder, wherein the account statement identifies purchase transaction respectively associated with the first credit line and the second credit line and wherein the cardholder may make a single payment to be applied toward both the first credit line and the second credit line (page 2, lines 12-14)

(also reference **Claims 64, 78, 92, 106, 118**)

With respect to **Claim 51**, Block teaches wherein the first credit line is associated with a first interest rate and the second credit line is associated with a second interest rate and wherein the first interest rate is less than the second interest rate (page 2, lines 28-30).

(also reference **Claims 65, 79, 93, 107, 119**)

With respect to **Claim 52**, Block teaches wherein the first credit line is associated with a first credit limit and the second credit line is associated with a second credit limit and wherein the second credit limit is less than the first credit limit (page 2, lines 8-9). Examiner notes that a

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user “store credit still being available” after a general line of credit is gone, represents the general credit limit (second credit limit) is less than the store credit limit (first credit limit).

(also reference **Claims 66, 80, 94, 108, 120**)

With respect to **claim 53 and 54**, Block teaches wherein the first credit limit includes the second credit limit, reducing the first credit limit and the second credit limit when a purchase is made against the second credit limit and reducing the first credit limit when a purchase is made against the first credit limit (page 2, lines 8-9).

Examiner note that this is the exact case disclosed by Block as an incentive to get the cardholder to use the store line of credit. In other words, products purchased either in the store or from another merchant lowers the general purpose credit limit, however, only purchases made at the store lowers the store limit. This way the cardholder is given an incentive to use the store line of credit.

(also reference **Claims 67, 68, 81, 82, 95, 96**)

With respect to **claim 55**, Block teaches determining whether a purchase is made against the first credit line and reducing the first or second credit by the purchase amount based on the determination of whether the purchase is made against the first credit line (page 2, lines 6-9).

Examiner notes that the system of Block inherently includes a determination of whether the purchase was made at the private label store or at a general merchant. Examiner asserts that there would be no other way to know that a general line of credit is used up unless the system can differentiate between the private label store and a general purchase (i.e. wherever

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MasterCard is accepted). Since this an identification is necessarily present, the limitation is inherent.

(also reference **Claims 69, 83, 97, 109, 121**)

With respect to **claim 56**, Block teaches receiving a purchase transaction data including identification value and determining that the received purchase transaction is made against the first credit line based on a determination of whether the received identification value corresponds to a particular identification value.

Examiner references the analysis as applied to claim 55 and notes the inherency of this identification value. This value must be present in the system of Block to determine if the purchase is a private label purchase or a general purchase. Since there is no other way to make this determination, except with an identification value, then the limitation is necessarily present and inherent.

(also reference **Claims 70, 84, 98, 110, 122**)

With respect to **claim 57**, Block teaches a BIN number of the credit card used for identification.

Examiner starts by turning to Applicant's specification (page 44, lines 15-18) for a definition of BIN, "the first six number of the dual line credit card or the credit card account number." Examiner asserts that in every single credit card purchase a number is transmitted that identifies the credit card account (BIN number as defined by Applicant). Without this

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information it would not be possible to identify the cardholder's account. This information is mandatory or necessarily present and as such inherent to the system of Block.

(also reference **Claims 71, 85, 99, 111, 123**)

With respect to **Claim 58**, Block teaches determining that the received purchase transaction is made against the first credit line based on a determination of whether a merchant identification number associated with the purchase matches a merchant identification number of the particular merchant associated with the first line of credit

Examiner references the analysis as applied to claim 55 and notes the inherency of this identification value. This value must be present in the system of Block to determine if the purchase is a private label purchase or a general purchase. Since there is no other way to make this determination, except with an identification value, then the limitation is necessarily present and inherent.

(also reference **Claims 72, 86, 100, 112, 124**)

With respect to **claim 59**, Block teaches determining whether the purchase amount exceeds the first available credit if the merchant identification number associated with the purchase matches the merchant identification number of the particular merchant (page 2, lines 6-9).

Examiner references the analysis as applied to claim 55 and notes the inherency of this identification value. This value must be present in the system of Block to determine if the purchase is a private label purchase or a general purchase. Since there is no other way to make

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this determination, except with an identification value, then the limitation is necessarily present and inherent.

Further Examiner notes that “the customer uses up the general line” represents determining whether the purchase amount exceeds a credit limit.

(also reference **Claims 73, 87, 101, 113, 125**)

With respect to **claim 61**, Block in view of Basch teaches wherein the first credit line is issued based on at least one of purchasing habits of the cardholder, a credit limit established for the second credit line, a credit history of the cardholder with a particular merchant, types of goods or services provided by the particular merchant or an average purchase amount the card holder purchases from the particular merchant (see analysis of claims 1-4 above).

(also reference **Claims 75, 89, 103, 115, 127**)

With respect to **claim 128**, see the analysis of claims 1, 50 and 52.

With respect to **claim 131** see the analysis of claim 2

With respect to **claim 132** see the analysis of claim 6

With respect to **claim 133** see the analysis of claim 8

With respect to **claim 136** see the analysis of claim 51

With respect to **claim 137** see the analysis of claim 53

With respect to **claim 138** see the analysis of claim 54

With respect to **claim 139** see the analysis of claim 55

With respect to **claim 140** see the analysis of claim 56

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With respect to **claim 141** see the analysis of claim 57

With respect to **claim 142** see the analysis of claim 58

With respect to **claim 143** see the analysis of claim 59

With respect to **claim 145** see the analysis of claim 61

With respect to **claims 146-159** Block teaches wherein the first credit line is a private label credit line and the second credit line is a general purpose credit line (e.g. page 2, lines 6-9 and 28-30)

**Claims 9, 10, 31, 32, 134 and 135** are rejected under 35 U.S.C. 103(a) as being unpatentable over Block in view of Bash as applied to claims 1-8 above, and further in view of Taylor.

The combination of Block in view of Basch does not specifically teach establishing a first credit line comprises establishing a plurality of first credit lines nor establishing a second credit line comprises establishing a plurality of second credit lines.

Taylor teaches a multi application card wherein the applications can include multiple general purpose credit limits (American Express, Visa, Master Charge, Discover) and/or multiple private label credit lines (various oil companies, various hotels, various airlines) all in one card (column 3, lines 55-60). Further Taylor teaches this is done to consolidate multiple card issuers cards.

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One of ordinary skill in the art would have been motivated to enhance the cobranded card of Block in view of Basch to include either a plurality of first credit lines and/or a plurality of second credit lines as taught by Taylor. One of ordinary skill in the art would have been motivated to modify the references in order to consolidate multiple issuers cards.

**Claims 60, 74, 88, 102, 114, 126, and 129** are rejected under 35 U.S.C. 103(a) as being unpatentable over Block in view of Basch as applied to claims 1 and 55-59 above, and further in view of Official Notice.

With respect to **Claims 60, 74, 88, 102, 114, 126 and 144** the combination of Block in view of Basch teaches reducing the first credit limit if the purchase amount does not exceed the first credit limit (page 2, lines.

However, the combination of Block in view of Basch does not specifically and reducing the second credit limit if the purchase amount does exceed the first available credit and the amount does not exceed the second available credit.

Examiner take Official Notice that it is old and well known that when a purchase transaction exceeds a first credit limit to apply the transaction to a second credit limit. Examiner notes that this is a main reason card holders carry more than one card. If the first card is used up, the user goes to the second card (credit limit).

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teaching of Block to include the ability to use the general line of credit in the private label store when the private label credit limit is used up (exceeded) as is old and well

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known in the art. One of ordinary skill in the art would have been motivated to modify the references in order to allow the cardholder to purchase the product.

With respect to **claim 129**, Block in view of Basch does not specifically teach that the purchase transaction information from the merchant is transmitted over a first or a second network. Examiner takes Official Notice that redundant networks are old and well known in the art as a method of providing backup in case of failure.

It would have been obvious to one of ordinary skill in the art at the time of the invention include a second, redundant network for the merchant to transmit purchase transaction information different from the first or primary network. One of ordinary skill in the art would modify the references in order to provide a backup network in case of failure.

### ***Response to Arguments***

Applicant's arguments with respect to the claims have been considered but are moot in view of the new ground(s) of rejection.

### ***Conclusion***

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period

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will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James A. Kramer whose telephone number is (571) 272 6783. The examiner can normally be reached on Monday - Friday (8AM - 5PM).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272 6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

James A. Kramer  
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